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Q&A

Ghorbanifar calls McFarlane a 'fool.' North a 'genius'

Manucher Ghorbanifar was interviewed on March 15 by Arnaud de Borchgrave, editor-in-chief of The Washington Times. This is the transcript of the interview, as taken from a tape recording.

Q: You testified for almost six hours before the Tower commission. Was there anything important omitted from the final report?

A: They didn't publish many important statements of fact. We showed them the certified documents from the Credit Suisse Bank. How all the transactions took place. I am now going to testify before the joint Senate/House committee and everything that was suppressed will come out. From A to Z.

What the Tower report published on the transactions is laughable. Erroneous information. Presumably stuff from the CIA which I can prove is just plain lousy. And some of the information I gave them — very sensitive stuff, clearly not designed for publication because lives were at stake — came out in the report and three people have now disappeared: dead, from what I hear.

Q: What was that?

A: Ask them why they mentioned my relationship with the Libyans and how we were going to help the administration against [Libyan leader Col. Muammar] Qaddafi, the Syrian contact we gave to the CIA, etc? It was madness. There was no relation to the investigation whatsoever. It was like signing a death warrant.

I explained in great detail why the information they got from the CIA was wrong, whether inadvertently or by design I don't know. There was no money paid to the Israelis by either me or [Saudi Arabian financier Adnan] Khashoggi. That is very clear-cut. It went to Lake Resources. It was Lake Resources which paid the Israelis. How they can reach the conclusions they did with the documents we turned over is a mystery.

Q: Anything else you'd like to ask [former U.S.] Sen. [John] Tower after reading the report?

A: Ask Mr. Tower, who is such a bright man, why there was no mention of the second channel to Iran which was opened by the CIA to cut us out, and which effectively sabotaged the whole purpose of the strategic initiative for the post-Khomeini period. Why was this important aspect silenced and yet it mentioned my contacts with the Syrians and the Libyans, which had nothing to do with the whole affair.

All the Tower commission people were looking for were scapegoats to save the CIA. They published all the dirt the CIA gave them but the truth was the real victim. The CIA was involved from A to Z, [then-CIA Director William] Casey's denials to the contrary. We were hoping the whole truth would come out. Now that we know that it has not, it will be up to me to tell the joint Senate/House committee what really happened.

How come the CIA gave us the pricing for the TOWs [anti-tank missiles] for \$10 million and they take from us \$10 million and say they only received \$3.5 million? You mean to tell me they don't know where \$6.5 million disappeared?

Q: Aren't you confusing Ollie North and the CIA? He was operating independently.

A: I simply don't believe that. The CIA knew exactly what [former National Security Council aide Lt. Col. Oliver] North was doing. Because I have sat in a room in Frankfurt with CIA officers and North when I gave them copies of the \$10 million payments for the TOWs and I told them this was for 1,000 TOWs. And next day they say they received \$3.5 million. And you mean to tell me they don't know what happened to the rest? You mean it went to someone's mother?

And the CIA, even though they knew the exact price, still went ahead and made a deal at a much cheaper price for the next batch directly with [Iranian parliament Speaker Ali-Akbar Hashemi] Rafsanjani. Actually, the CIA made a deal with us at the same time and said the next shipment would be free as they had overcharged us by 500 percent for the spare parts of the [anti-aircraft] Hawk missiles. So the very week we're supposed to get this free batch of TOWs, they got money plus a hostage. A very dirty double game.

Q: So your conclusion is that there was deliberate sabotage of the U.S. strategic initiative in Iran?

A: It's quite clear they did not want anyone operating independently. They wanted their own agent.

If you say, as I did, that I'm representing my own country, as an intermediary, then you're not considered trustworthy. If you don't follow their route, they cut you out. So they got their own man but in the process it got all screwed up as they did not know the origins, how all the lines worked in Iran, so all they saw was a positive sign on the wall but they didn't know what was behind the wall. By dealing simultaneously with two factions, the two lines became hopelessly crossed.

North became involved with both channels. That's

clear in the Tower report. [Former CIA agent George Cave was the real operator. And he was led to believe that Rafsanjani could overthrow [the Ayatollah Ruhollah] Khomeini. That's where the U.S. went off the rails.

Through me, the U.S. was dealing with the legitimate government of Iran, and through Cave they were dealing with what they thought was a conspiracy against Khomeini. North and Cave were part of that conspiracy. In the Tower report you saw how North thought Ghorbanifar might be killed by his investors, so he must have bought the Cave CIA line.

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Q: Was [former National Security Adviser Robert] McFarlane's role, as you saw it, accurately reported by the Tower board?

A: I explained in great detail how McFarlane screwed up the whole thing in Tehran. McFarlane lied under oath. There was a conspiracy to discredit me and dismiss me as a liar. Why? Because they had a different game plan.

We had nothing against the CIA. They are part of the power structure of the U.S. government and the Free World. We were trying to work with them but they had different ideas based on a false premise. They even said I had been arrested in Switzerland. Not only have I never been arrested in that country but not even questioned by any authority. You can check with Swiss authorities. So why was this fabricated? The motive was simple: Discredit me.

Q: So when [ABC television correspondent] Barbara Walters interviewed you, you were just trying to protect the CIA?

A: Yes, because we thought the CIA would reciprocate. But instead they tried to destroy me — both in Senate and Tower board testimony. It was a crime. Why? So they could say they dealt directly with a moderate faction in Iran, or for other reasons that remain mysterious.

They said I was not their agent. Quite true. But I had put my life on the line for America's interests in the region. I was the one who opened the door for them. I was the one who gave them the guarantee of no more terrorist attacks, no more assassinations, no more kidnappings. For 19 months, this guarantee was kept. All I got in return was to pay \$60,000 in lawyers' fees.

But my turn is coming. Now is the time to talk — and I will have lots more to tell your congressional investigation. Within two weeks we will prove the CIA lied and they are the ones who got President Reagan into such hot water. They will get the day-by-day chronology that led to the crisis. They will know who are the liars and where the money is.

Q: Who are the main culprits, in your judgment? McFarlane, North, who?

A: McFarlane was a fool. He was a nobody. He had no idea how to deal with Iranians. He played no role in that secret mission to Tehran. He just killed any deal by walking away. Stupid reaction. I can tell you

that he had Iranian officials on their knees begging him to stay, but he was stubborn. He said I get four hostages now or the bags go back on the plane and he takes off.

Q: Why? And why were you cut out?

A: First of all, he thought he had me as a hostage. He had \$15 million from us in his pocket, so to speak. On the other hand, he had met what he thought were the proper Iranian authorities, he ate with them, joked with them, had their office and home telephone numbers and so on.

His Iranian interlocutors were also stupid. They opened up and talked about the military's desperate need for American spare parts. So McFarlane figured they were in much worse shape than he had previously realized and concluded they had no choice but to acquiesce to his demands.

And with his Farsi-speaking Mr. Cave, he must have said to himself there was no need for Ghorbanifar. I still went to [Iranian Prime Minister Mir Hossein Mousavi] and said we had made a deal with the Americans and we had to get two American hostages released. The PM agreed. And then, according to our scenario, a planeload of spares arrives, and we give them two more hostages.

I called Ollie North and [Israeli counterterrorism adviser Amiran] Nir and said, "Okay, the deal is done." This was the second father [Laurence Jenco] and [the Rev. David] Jacobsen. They were supposed to come out together.

By the same evening, Cave had called his contact in the PM's office and said, "My president will be happy if we get one hostage now." The PM then called me and shouted, "What the hell's going on? I thought you were the only one who's an American agent." He then used the Farsi equivalent of "Are you more Catholic than the pope?"

I couldn't understand why he was so upset. Then he told me about Cave and the one hostage request. "And you," the PM shouted on the phone, "have been telling me for 10 days that we must give them two hostages." Then I tried to tell them that Cave was not from the White House and that he was only along as a translator.

The PM told me I was wrong, that Cave was calling on behalf of President Reagan and that he would be happy with one hostage. Next morning, one hostage was released and then I received two calls, one from North, the other from Nir. "Sorry," they both explained, "we have been monitoring your calls." Mr. Cave screwed up with one hostage. Can you believe that? Or were they just trying to burn me?

Q: And what do you think of North?

A: He's a brilliant man. He is definitely a genius. I have been with him more than 50 times. You don't need to explain anything to him. As soon as you start, he's already read your mind and can finish what you were about to say. Very sharp boy. I've never met such an American in my entire life.

Q: Who is he protecting?

A: Only the president. He is victimizing himself because he really loved him. He is the most patriotic American I've ever met. I've seen him at the Frankfurt airport or driving somewhere and when he sees the American flag you can see the change in his eyes. It is a mystical experience for him. He becomes like a tiger, his eyes glistening.

Q: But you haven't seen a crazy side to the man?

A: He could be a little crazy in a sense because he is a fanatic, a fanatical conservative. He believes there is only one superpower and that's the United States, and maybe he's right.

Q: And do you agree that the door is still open in Iran?

A: Could well be. But you need someone more subtle and patient with a real understanding of the Iranian people and how to deal with the mullahs.

Q: When did you first hear about the diversion of funds to the Contras?

A: I didn't hear about it directly. But if I see someone — figuratively speaking — going to the gambling casino every night, it doesn't take much imagination to figure out he's in financial trouble.

When we were in Frankfurt discussing the deal for 1,000 TOWs in February 1986, I learned Ollie North was in charge of Nicaragua too and that his hands had been tied by Congress. This is when he asked me whether I was willing to pay \$10 million for the 1,000 TOWs. Ollie was jumping all over the place, racing from one phone to the other. I overheard a lot of talk that had nothing to do about our deal but a lot to do with Nicaragua and Contras.

And I finally exploded and said, "What the hell's going on here? I came here to discuss something very important. Will you pay attention and stop whatever else you're doing?"

Ollie apologized and explained he was having big problems with the Contras every day, that they needed money, etc. Then he suddenly asked, "Are you going to pay me \$10 million for 1,000 TOWs?" I said, "Yes, of course, because that's better than \$10,500 per TOW the Israelis charged." Ollie asked when he would get the money. I said, "Tomorrow." And I have never seen such a look of relief on his face. "Oh my God," Ollie said, with such relish and pleasure.

I know that the interagency price for 1,000 TOWs is \$6.5 million. So I figured that the balance of \$3.5 million would go to solve Ollie's other problem. I

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didn't really care. It was none of our business.

Later, when the information came out, we learned that North had paid back to [the U.S. government] only \$3.5 million, so where did \$6.5 million go? I assumed it went to the Contras. Because I had also read then that some senators were concerned about North's activities in Nicaragua, I figured that's where our money was going.

Q: You flunked your CIA polygraph. Why?

A: I was staying at the Four Seasons Hotel and I agreed to the test on three or four well-defined points. I was told it would be a friendly session.

I walked with my escort across the bridge to Pennsylvania Avenue and went to a CIA apartment where they strapped something around my arm and leg so tightly that it was even tighter than when they pump up the band to get your blood pressure. I was told it would take about 20 minutes. It took most of the day and when they finally took those things off, my arm and leg were blue. I went to Mike Ledeen's for dinner that night and was really worried there was something wrong with my circulation. The CIA sent over a doctor who said it was nothing and put some ointment on the blue parts.

Q: What was the first question?

A: "Do you trust us?"

Q: And what was your answer?

A: "No." And that was the truth.

Q: What about The New York Times story that some monies were diverted to pro-Iranian terrorist groups in Lebanon?

A: Absolutely false. Not a shred of truth. I have not participated in transmitting any money, commissions, services, fees, profits, bribes or gifts of any kind to second, third or extra party. Nor any of these things to the U.S., Israel or Iran.

Moreover, my counsel has been advised by the counsel for the Tower board that, contrary to persistent news reports, the panel never received from me any indication that I have paid or greased the way by payments related to the transactions in question. Nor does the panel have any such evidence whatsoever of any such payments.

Q: What was your own cut on these transactions?

A: Not only have I not made a dime, but I will give the congressional investigating body documentation that proves I have lost a lot of money, that I am in financial difficulty, and that I have suffered grave damage to my political, social and financial credibility.